

**GOVERNMENT OF ANDHRA PRADESH**

**ABSTRACT**

Industrial Promotion – Extension of certain incentives under Industrial Investment Promotion Policy (IIPP) 2010-15 to M/s Ultra Tech Cement (UTCL), a part of Aditya Birla Group, to set-up a Greenfield Cement Manufacturing Facility in Patnikota, Kurnool District – Orders- Issued.

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**INDUSTRIES & COMMERCE (IP & INF) DEPARTMENT**

G.O.MS.No. 149.

Dated:18-11-2014

Read the following:-

1. From M/s Ultra Tech Cement (UTCL), a part of Aditya Birla Group Letter dated: 27.08.2014.
2. State Investment Promotion Committee Meeting held on 19.09.2014
3. State Investment Promotion Board Meeting held on 26.09.2014

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**ORDER:-**

In the letter 1<sup>st</sup> read above, M/s Ultra Tech Cement (UTCL), a part of Aditya Birla Group has informed that they propose to setup a 4.8 MTPA Greenfield cement plant in Patnikota, Kurnool District with an investment of Rs. 4000 Crore and creating employment to 1500 persons directly and indirectly. The Managing Director has requested the Government for extension of incentives/benefits as a measure of industrial promotion.

2. In the reference 2<sup>nd</sup> read above, the State Investment Promotion Committee (SIPC) has discussed the proposal of M/s Ultra Tech Cement(UTCL) and recommended the following incentives/benefits, under Industrial Investment Promotion Policy 2010-15:

- (a) Extend a package of incentives as per policy.
- (b) Extension of time for Patnikota lands usage in Kurnool District, for a period of 3 years as Aditya Birla group is a reputed industrial house with financial capability and technical expertise in commissioning the plants on fast track, as a special case.
- (c) Recommended for allocation of surplus water to the cement industries, provided the company along with cement plants nearby jointly build a balancing reservoir for storage of surplus water for usage throughout the year.

3. In the reference 3<sup>rd</sup> read above, the State Investment Promotion Board (SIPB) has discussed the proposal and finally recommended the following incentives, under Industrial Investment Promotion Policy 2010-15:

- (a) Extend incentive package as per existing policy.
- (b) SIPB recommended for extension of time for a period of 3 years, as Aditya Birla group is a reputed industrial house with good financial capability and technical expertise in commissioning plants on fast track. However, SIPB directed that all such approvals should clearly indicate timelines for start of construction and commercial production of the project with a two / three months cushion. These proposals will be reviewed once every month and status appraised to the SIPC / SIPB.
- (c) To provide dedicated water supply for new plants proposed in the region as well as additional water supply to the Tadipatri plant of Ultratech cements from the newly proposed Water Grid. It was also desired that the industries be made partners in laying of pipeline and construction of balancing reservoir and thereby become partners in water grid integration and maintenance.

(P.T.O.)

4. Government after careful examination of the recommendations of the State Investment Promotion Board, hereby extend an incentive package as per policy to M/s Ultra Tech Cement (UTCL) who propose to setup a Greenfield cement plant in Kurnool District under Industrial Investment Promotion Policy 2010-15 which includes the following:

I. Incentives:

- (a) 100% reimbursement of Stamp duty and transfer duty paid by the industry on purchase of land meant for industrial use.
- (b) 100% reimbursement of Stamp duty for Lease of Land/Shed/ Buildings and also mortgages and hypothecations.
- (c) Fixed power cost reimbursement @ Rs.0.75 per unit (upper ceiling) on the proposed revised rates (2010-11) for 5 years from the date of commencement of commercial production. In case, decrease in Power Tariff, the reimbursement will be reduced proportionately.
- (d) Reimbursement of 25% VAT/CST or State Goods and Services Tax (SGST) for a period of 5 years from the date of commencement of commercial production.
- (e) 50% Reimbursement of cost involved in skill up gradation and training the local manpower limited to Rs.2000 per person.
- (f) 25% subsidy on specific cleaner production measures limited to Rs.5.00 Lakhs; and
- (g) Infrastructure like roads, power and water will be provided at door step of the industry for standalone units by contributing 50% of the cost of infrastructure from IIDF with a ceiling of Rs.1.00 Crore, subject to (a) the location should be beyond 10 kms from the existing Industrial Estates/IDA's having vacant land/shed for allotment and (b) cost of the infrastructure limited to 15% of the eligible fixed capital investment made in the industry.

II. Extension of time for a period of 3 years as a special case from the date of issue of this G.O. The company shall start Construction activity by January 2015 and commence commercial production by the end of December 2017.

6. The Commissioner of Industries, Government of AP, Hyderabad shall take necessary action, accordingly and intimate the status of the progress of work done by the unit from time to time to Government.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

J.S.V.PRASAD  
PRINCIPAL SECRETARY TO GOVERNMENT & CIP

To

The Commissioner of Industries, A.P., Hyderabad.

M/s Ultra Tech Cement (UTCL), through the Commissioner of Industries, AP, Hyderabad.

Copy to:

The Revenue (CT) Department.

The Industries & Commerce (Mines ) Department

The Revenue (Registration) Department.

The Energy Department.

The Irrigation & CAD (Reforms) Dept.

The Law (H) Department.

The Accountant General, Andhra Pradesh, Hyderabad

The Commissioner of Commercial Taxes, GoAP Hyderabad

The Chairman & Managing Director, APTRANSCO., Hyderabad

The Managing Director, APSPDC Ltd., Tirupathi

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The Vice Chairman & Managing Director, APIIC, Hyderabad.

The District Collector, Kurnool

The General Manager, District Industries Centre, Kurnool

P.S. to Secretary to Chief Minister

P.S. to Chief Secretary to Government, GoAP

P.S. to Principal Secretary to Government & CIP, Industries & Commerce  
Dept.

SC/SF.

//FORWARDED: : BY ORDER//

SECTION OFFICER